

December 15, 2005

Via Hand Delivery

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K St. N.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings

SEP 15 2005

DEPT. OF TRANSPORTATION

Public Notice

215 356

RE: Finance Docket No. 34805, *Ispat Inland Holding Inc. – Acquisition of Control Exemption – ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Co., and ISG Cleveland Works Railway Co.*

Dear Secretary Williams:

Please find enclosed the original and ten (10) copies of Ispat Inland Holding Inc.'s Verified Notice of Exemption Pursuant to 49 C.F.R. §1180.2(d)(3) to be filed in the above referenced proceeding. Also enclosed is a check in the amount of \$1,400.00 to cover the filing fee.

An extra copy of this filing is enclosed for stamping and returning to our offices.

Should you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Sincerely,



Jeffrey O. Moreno

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ENTERED

SEP 15 2005

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215356

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34805

ISPAT INLAND HOLDING INC.
—ACQUISITION OF CONTROL EXEMPTION—
ISG RAILWAYS INC., ISG SOUTH CHICAGO & INDIANA HARBOR
RAILWAY CO., AND ISG CLEVELAND WORKS RAILWAY CO.

**VERIFIED NOTICE OF EXEMPTION OF
ISPAT INLAND HOLDING INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

15

Jeffrey O. Moreno
Thompson Hine LLP
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036-1600

*Attorneys for
Ispat Inland Holding Inc.*

Dated: December 15, 2005

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34805

ISPAT INLAND HOLDING INC.
—ACQUISITION OF CONTROL EXEMPTION—
ISG RAILWAYS INC., ISG SOUTH CHICAGO & INDIANA HARBOR
RAILWAY CO., AND ISG CLEVELAND WORKS RAILWAY CO.

**VERIFIED NOTICE OF EXEMPTION OF
ISPAT INLAND HOLDING INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

Ispat Inland Holding Inc. (U.S.) ("Ispat") hereby submits this Verified Notice of Exemption pursuant to 49 C.F.R. § 1180.2(d)(3) in order to acquire control of the following three common carrier railroads: **(1)** ISG Railways, Inc. ("ISGR"); **(2)** ISG South Chicago & Indiana Harbor Railway Co. ("ISG/SCIH"); and, **(3)** ISG Cleveland Works Railway Co. ("ISG/CWRC") (collectively "ISG Railroads"). Ispat, a non-carrier, will acquire control of the ISG Railroads pursuant to a corporate restructuring by Mittal Steel Company N.V. ("Mittal Steel"), which indirectly controls both Ispat and the ISG Railroads,

In accordance with the requirements of 49 C.F.R. § 1180.4(g), Mittal Steel submits the following information:

1. 49 C.F.R. § 1180.6(a)(1)(i) – Brief Summary of the Proposed Transaction

Ispat, a non-carrier, will acquire Mittal Steel USA ISG, Inc. ("Mittal/ISG"), which controls ISGR, ISG/SCIH, and ISG/CWRC. Both Ispat and Mittal/ISG are indirect subsidiaries of Mittal Steel. This is a corporate family transaction, in accord with 49 C.F.R. § 1180.2(d)(3),

that does not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family.

Mittal Steel originally acquired control of the ISG Railroads in April 2005 as part of its acquisition of International Steel Group Inc. ("ISG"), which owned the ISG Railroads. Mittal Steel's control of the ISG Railroads was authorized by a class exemption published in STB Finance Docket No. 34650, Mittal Steel Company N.V.—Acquisition of Control Exemption—ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Co., and ISG Cleveland Works Railway Co. (served May 3, 2005). Subsequently, through a corporate name change, ISG became Mittal/ISG.

Mittal Steel now plans to restructure its various corporate subsidiaries. As part of that restructuring, Mittal/ISG, including its ISG Railroads subsidiaries, will be dropped several levels down the corporate chain to become a direct subsidiary of Ispat. Mittal/ISG will continue to be an indirect subsidiary of Mittal Steel. There are no other railroads involved in the broader corporate restructuring.

Subsections A, B, and C, below, describe the respective railroad property of each railroad subject to this Verified Notice of Exemption.

A. ISGR Property.

The ISGR property is comprised of:

- (1) ISGR's interest in the approximately 47-mile rail line in Dauphin County, PA, consisting of yard and switching tracks that do not have assigned mileposts;
- (2) approximately 66 miles of trackage in Burns Harbor, Porter County, IN, consisting of yard and switching tracks that do not have assigned mileposts;

(3) ISGR's interest in the following rail lines and/or operating rights: (a) approximately 52 miles of rail line between Coatesville and Modena, PA, consisting of yard and other trackage that do not have assigned mileposts; (b) a line of railroad between approximately milepost 30.29 at Modena, PA and approximately milepost 12.7 at the Delaware/Pennsylvania state line; (c) rights to operate common carrier rail service on a line of railroad owned by the Wilmington and Northern Railroad Company between approximately milepost 12.7 at the Delaware/Pennsylvania state line and milepost 2.9 at Elsmere Jct., Delaware;

(4) ISGR's interest in the approximately 11-mile rail line near Conshohocken, Montgomery County, PA, consisting of yard and switching tracks that do not have assigned mileposts;

(5) ISGR's interest in the approximately 183-mile rail line in Baltimore County, MD, consisting of yard and switching tracks that do not have assigned mileposts.¹

B. ISG/SCIH Property

The ISG/SCIH property is comprised of approximately 5 miles of railroad line, generally located between Pullman Junction and Rock Island Junction in South Chicago, Cook County, IL,² including the following:

(1) an undivided one-half interest in and to: (a) 1,595 track feet of track commencing at approximately EPS 155+95 near E. 95th Street and Woodlawn Avenue and ending at

¹ See STB Finance Docket No. 34344, ISG Railways, Inc.—Acquisition of Control Exemption—Assets of Keystone Railroad LLC d/b/a Philadelphia, Bethlehem and New England Railroad Company, Conemaugh & Black Lick Railroad Company LLC, Steelton & Highspire Railroad Company LLC, Lake Michigan & Indiana Railroad Company LLC, Brandywine Valley Railroad Company LLC, Upper Merion & Plymouth Railroad Company LLC, Patapsco & Back Rivers Railroad Company LLC, and Cambria and Indiana Railroad, Inc., (Served May 22, 2003); and STB Finance Docket No. 34445, Lehigh Valley Rail Management, LLC—Acquisition and Operation Exemption—Rail Lines in Pennsylvania, (Served Dec. 31, 2003).

² See STB Finance Docket No. 34188, ISG South Chicago & Indiana Railway Company—Acquisition and Operation Exemption—Rail Lines of the Chicago Short Line Railway Company, (Served May 2, 2002).

approximately EPS 171+90 near E. 95th Street and Stony Island Avenue; **(b)** 312 track feet of track commencing at approximately EPS 171+90 and ending at approximately EPS 175+02; **(c)** 193 track feet of crossover track located between approximately EPS 170+95.2 and approximately EPS 172+88.2; and, **(d)** the westerly segment of crossover track being 95 track feet located at approximately EPS 174+07 and connecting to the east bound main track as located near E. 95th St. and Stony Island Avenue, in the City of Chicago;

(2) 978 track feet extending from approximately EPS 175+02 near E. 95th Street and Stony Island Avenue to approximately EPS 184+80;

(3) two parallel main railroad tracks, one comprised of approximately 10,754 track feet and the other comprised of approximately 9,254 track feet, extending from approximately EPS 175+02 near E. 95th St. and South Chicago Avenue to approximately EPS 282+61 near E. 95th and South Chicago Avenue, in the City of Chicago;

(4) an undivided one-half interest in approximately 976 feet of track providing a rail connection with Norfolk Southern Railway Company ("NSR") at Rock Island Junction near E. 95th Street and South Chicago Avenue as located beginning at approximately EPS 275+44; and

(5) one track comprised of approximately 186 track feet at South Chicago Avenue, in the City of Chicago.

Ispat also will acquire control over more than 5 miles of yard, switching, industrial and other trackage owned by ISG/SCIH in the vicinity of its 98th Street Yard in South Chicago and in the vicinity of the Acme Steel facility in South Deering, IL, over which the Board does not have jurisdiction. See 49 U.S.C. § 10906.

In addition to the railroad lines owned by ISG/SCIH, Ispat will acquire control over any and all trackage rights that are held by ISG/SCIH over the rail lines of third parties. These

trackage rights include the following 9.65 miles of overhead trackage rights that ISG/SCIH's predecessor acquired from Consolidated Rail that are currently operated by NSR:

(1) the 0.05±-mile segment between NSR's right-of-way line and the point of switch of the new interlocked switch in NSR's Chicago Line at milepost 509.5±, in South Chicago, IL;

(2) the 7.40±-mile segment comprising main tracks (including appurtenant sidings, crossovers, and connecting tracks) of the NSR Chicago Line between milepost 502.6±, at Indiana Harbor, IN, and milepost 510.0±, at South Chicago;

(3) the 0.20±-mile segment of the Belt Railway of Chicago's ("BRC") connection lead between the connection with the NSR Chicago Line main track at milepost 509.7±, in South Chicago, then westerly to NSR's property line at Rock Island Junction, IL; and

(4) the 2.0±-mile segment of NSR's Calumet River Line between its connection with the Chicago Line at milepost 0.0±, in South Chicago, and milepost 1.9±, at South Chicago, plus 0.1±-mile through 110th Street Yard.³

Ispat also will acquire control over approximately 13.5 miles of ISG/SCIH's overhead trackage rights over the following railroad lines:

(1) CSXT's Lake Subdivision between approximately milepost 251.3 near Indiana Harbor, IN, and approximately milepost 257.3 near Rock Island Junction, IL, a distance of approximately 6 miles;

(2) NSR's ex-NKP line and parallel ex-C&WI line between Pullman Junction, IL, and South Deering, a distance of approximately 2 miles;

(3) BRC's District Tracks between Rock Island Junction and South Deering, a distance of approximately 2.5 miles; and

³ See ICC Finance Docket No. 32828, Chicago Line Railway Company—Trackage Rights Exemption—Consolidated Rail Corporation, (Served Dec. 29, 1995).

(4) Chicago Rail Link's railroad line between Rock Island Junction and South Deering, a distance of approximately 3 miles.

The total distance of ISG/SCIH trackage rights that would be controlled by Ispat is approximately 23.15 miles. Ispat will also acquire control over any and all rights held by ISG/SCIH to operate over the tracks of third parties for interchange, switching and other purposes. Separate Board approval is not required for the acquisition of these rights.

C. ISG/CWRC Property

The ISG/CWRC property is comprised of:

(1) approximately 3.4 route miles of railroad line within and in the vicinity of the former Cleveland Works West steel facility located on the west side of the Cuyahoga River in Cuyahoga County, Ohio;

(2) approximately 3.9 route miles of railroad line within and in the vicinity of the former Cleveland Works East Steel facility located on the east side of the Cuyahoga River in Cuyahoga County, Ohio; and,

(3) approximately 2.2 miles of railroad line between station 25 + 49.7 and station 140 + 5, extending through and between the foregoing facilities.⁴

In addition, Ispat will acquire control of overhead trackage rights held by ISG/CWRC over approximately 1,750 feet of rail line formerly owned by the Baltimore and Ohio Railroad

⁴ See STB Finance Docket No. 34182, ISG Cleveland Works Railway Company—Acquisition and Operation Exemption—Rail Lines of the Cuyahoga Valley Railway Company and River Terminal Railway Company, (Served May 29, 2002). Mittal Steel also states that it will acquire related switching, industrial, and other trackage not subject to STB jurisdiction and any and all rights of ISG/CWRC to operate over the tracks of third parties for interchange, switching, and other purposes. See 49 U.S.C. § 10906.

Company and currently owned by CSX Transportation, Inc. ("CSXT") between approximately P.S. 250 + 68 near Cleveland and approximately O.P. 20 + 73 in Cuyahoga Heights, OH.⁵

* * *

The name, business address, and telephone number of the applicant is as follows:

Ispat Inland Holding Inc. (U.S.)
3210 Watling Street
East Chicago, Indiana 46312
(219) 399-5166

The name, address, and telephone number of applicant's counsel, to whom questions may be addressed, are as follows:

Jeffrey O. Moreno
Thompson Hine LLP
1920 N Street N.W.
Suite 800
Washington, D.C. 20036
(202) 331-8800

2. 49 C.F.R. § 1180.6(a)(1)(ii) – Proposed Time Schedule for Consummation

Ispat intends to consummate the transaction on or soon after the effective date of this Verified Notice of Exemption.

3. 49 C.F.R. § 1180.6(a)(1)(iii) – Purpose of the Proposed Transaction

Ispat seeks to undertake the transaction subject to this Verified Notice of Exemption for the larger purpose of consolidating and streamlining the operations and reporting requirements of the combined companies under the corporate umbrella of Mittal Steel. An exemption issued pursuant to 49 C.F.R. 1180.2(d)(3) will allow Ispat to acquire control of the three common carrier railroads owned by Mittal/ISG, as part of the restructuring.

⁵ See ICC Finance Docket No. 30722, Cuyahoga Valley Railway Company—Trackage Rights—Baltimore and Ohio Railroad Company, (Served Jan. 31, 1986).

4. **49 C.F.R. § 1180.6(a)(5) – List of States where Applicant Railroad Property is Located**

Ispat will acquire control of ISGR's railroad property in Maryland, Delaware, Indiana, and Pennsylvania; ISG/SCIH's railroad property in Illinois; and ISG/CWRC's railroad property in Ohio.

5. **49 C.F.R. § 1180.6(a)(6) – Maps**

Maps of the railroad lines that Ispat will control are attached hereto as Exhibits A(1) – (7).

6. **49 C.F.R. § 1180.6(a)(7)(ii) – Agreement**

A copy of the Agreements pertaining to the proposed transaction subject to this Verified Notice of Exemption are attached hereto as Exhibit B.

7. **49 C.F.R. § 1180.4(g)(1)(i) – Labor Protective Conditions**

Under 49 U.S.C. § 11326(b), labor protective conditions apply to this transaction because it involves the control of one Class II carrier and two Class III carriers by a non-carrier. See STB Finance Docket No. 34029, Archer Daniels-Midland Company—Control Exemption—BQ Railroad Company and Iowa Interstate Railroad, Ltd., (Served April 19, 2001). The applicable labor protective conditions are those set forth in Wisconsin Central Ltd.—Acquisition Exemption—Union Pacific Railroad, 2 S.T.B. 218 (1997) (“Wisconsin Central”). See STB Finance Dockets 34128 and 34129, RailAmerica, Inc.—Control Exemption—New StatesRail Holdings, Inc. and Alabama & Gulf Coast Railway LLC; RailAmerica, Inc.—Control Exemption—StatesRail Acquisition Corp. and StatesRail, Inc., (Served May 8, 2002) (“Under section 11326(b), the appropriate level of labor protection is that set forth in Wisconsin Central.”)

On December 7, 2005, Ispat obtained a waiver from the United Steel Workers of America ("USWA"), the only labor union with employees on the affected lines, of the requirement to post labor notices of this transaction at the workplaces of employees on the affected lines and to serve a copy of the notice on the national office of the USWA, at least 60 days prior to consummation of the proposed transaction. Ispat enclosed a copy of the labor notice with the waiver request. A copy of the waiver is attached hereto as Exhibit C.

8. 49 C.F.R. § 1105 – Environmental and Historic Reporting Matters

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the transaction subject to this Verified Notice of Exemption is exempt from environmental review because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5). Additionally, the transaction is exempt from historic review under 49 C.F.R. § 1105.8(b)(1) and (3). Under these sections, a sale, lease, or transfer of a rail line is exempt if rail operations will continue over the line. Further approval by the Board is required for any party to this transaction to abandon any service, and there are no plans to dispose of or to alter the properties subject to the Board's jurisdiction that are 50 years old or older.

Respectfully Submitted,



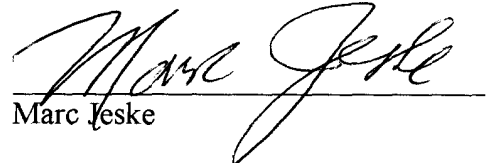
Jeffrey O. Moreno
Thompson Hine LLP
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036-1600

*Attorneys for
Ispat Inland Holding Inc. (U.S.)*

Dated: December 15, 2005

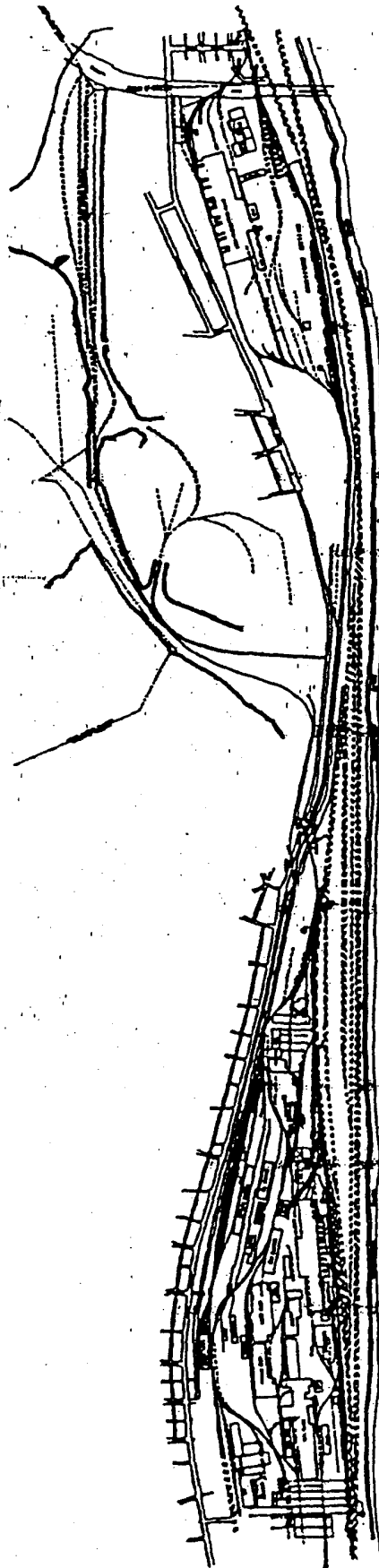
VERIFICATION

I, Marc Jeske, verify under penalty of perjury, under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Notice of Exemption. Executed this 14th day of December 2005.



Marc Jeske

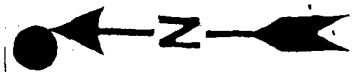
EXHIBIT A



Steelton & Highspire Railroad Co.
Steelton, PA

LAKE MICHIGAN & INDIANA RAILROAD COMPANY LLC

LAKE MICHIGAN



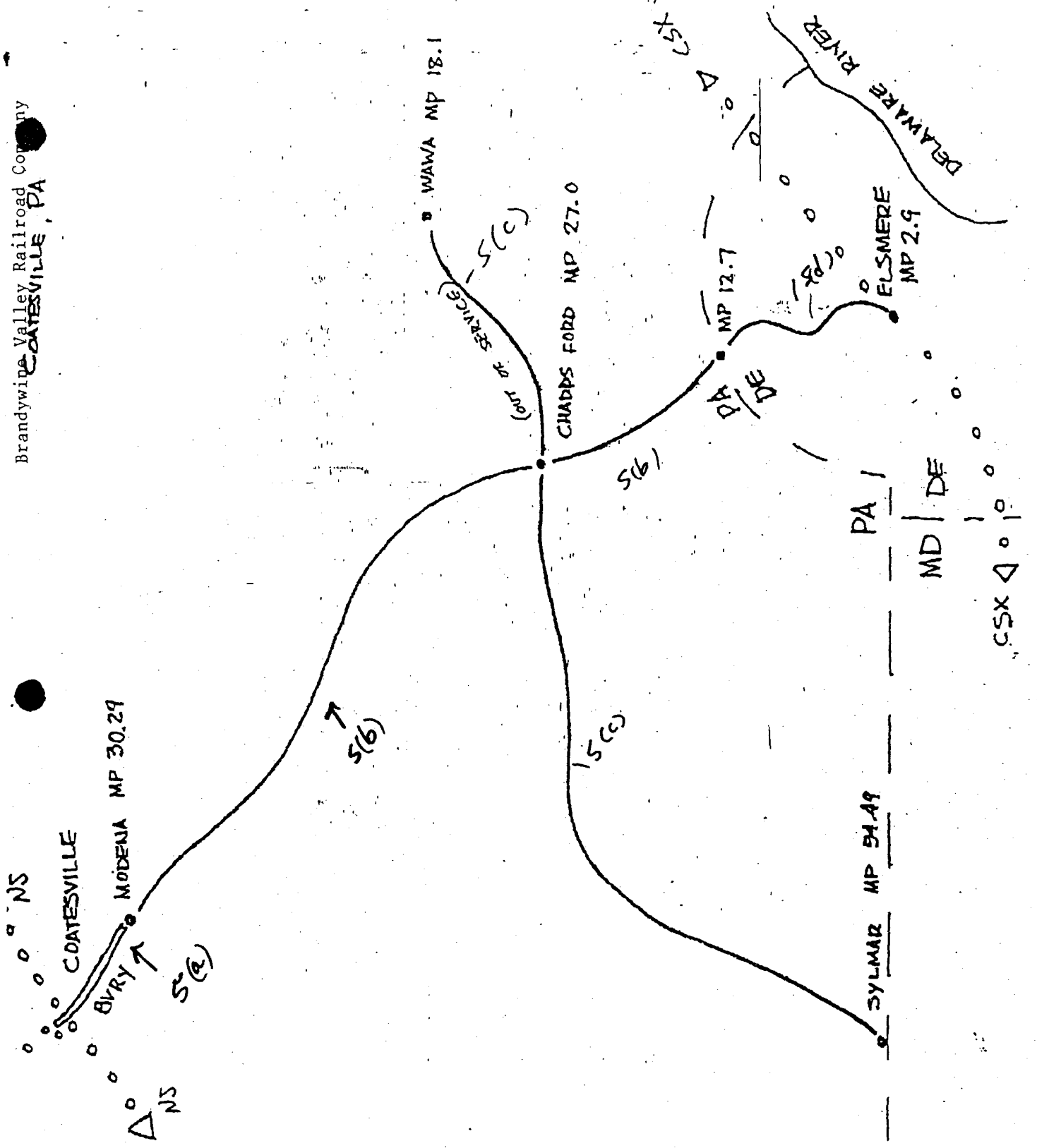
BURNS HARBOR
WATER WAY

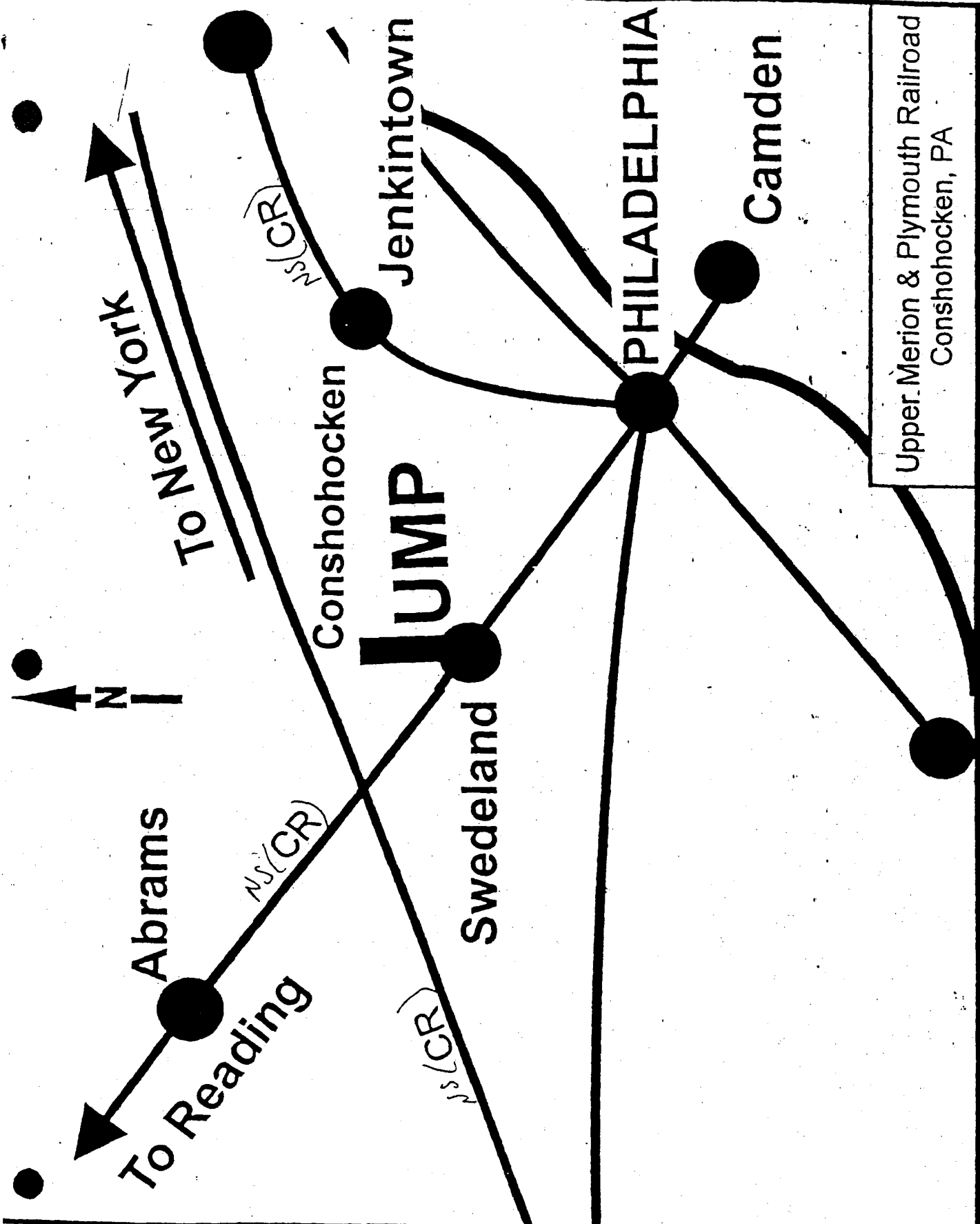
BETHLEHEM
STEEL
CORPORATION
BURNS HARBOR
DIVISION

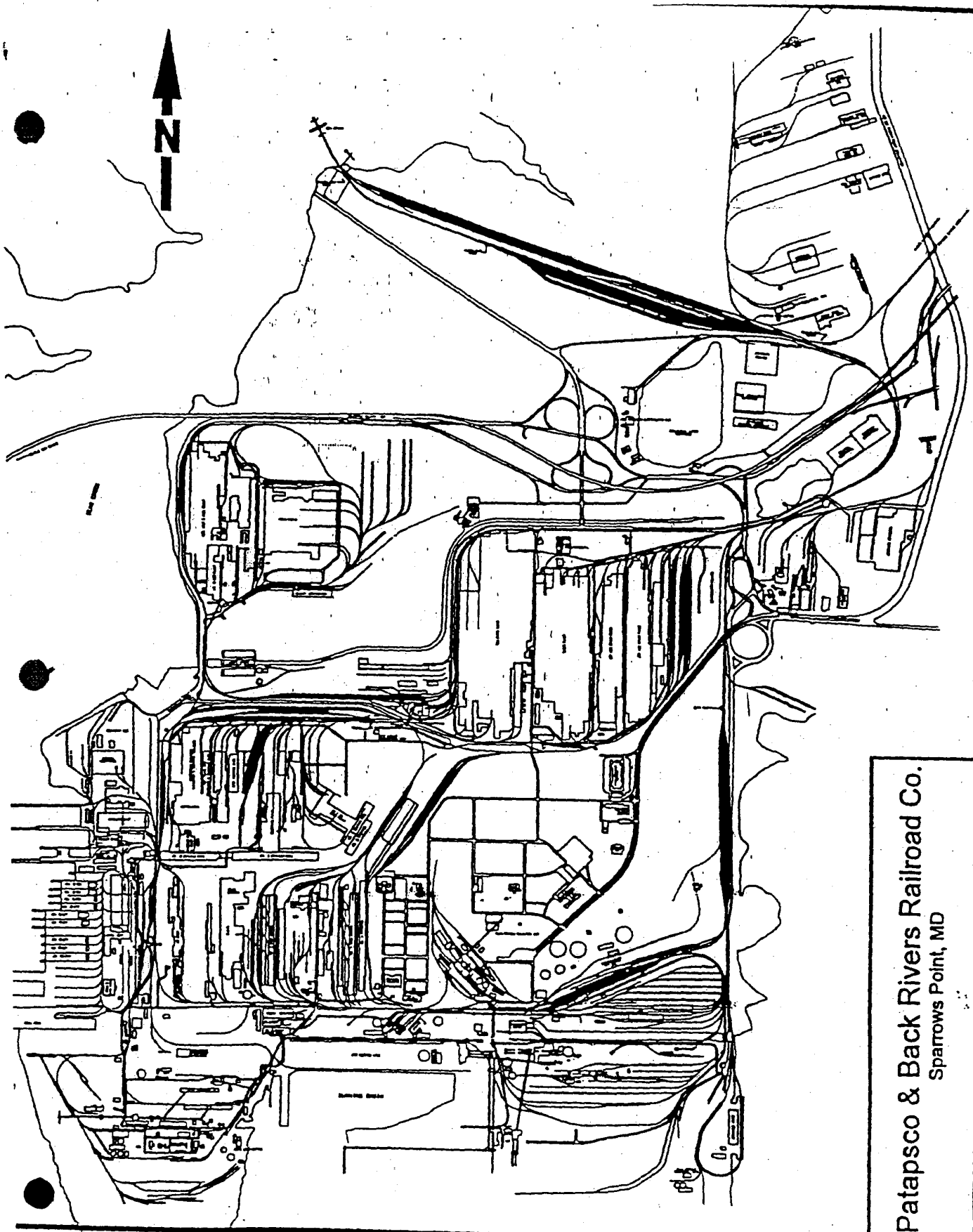
CHICAGO SOUTHSIDE
AND SOUTH BEND RR
US ROUTE 12

NORFOLK SOUTHERN YARD

— TO CHICAGO







Patapsco & Back Rivers Railroad Co.
Sparrows Point, MD

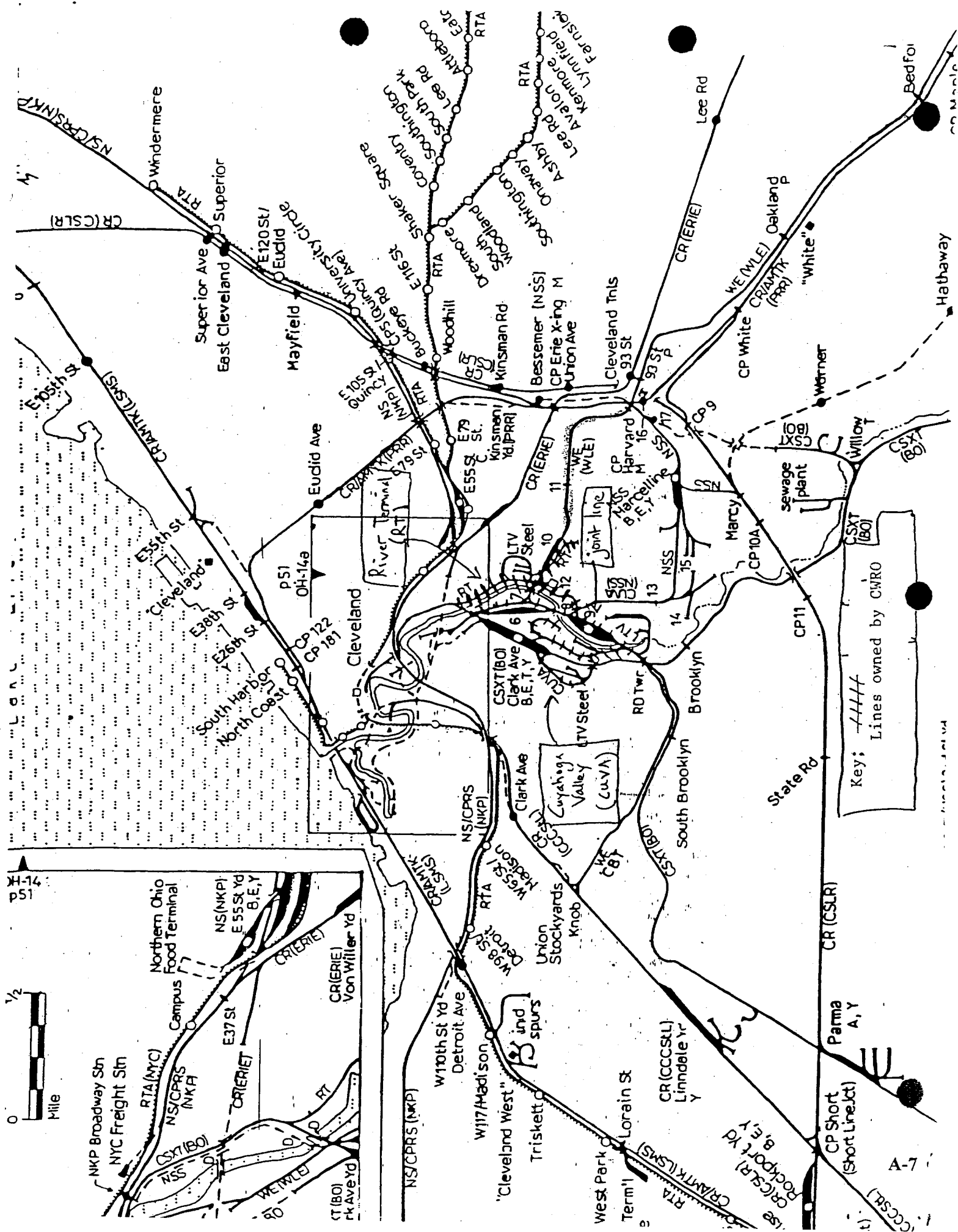


EXHIBIT B

STOCK POWER

FOR VALUE RECEIVED, Mittal Steel U.S. Holdings B.V. does

hereby sell, assign and transfer unto Ispat Inland S.A.
(Please print or type name and address of assignee)

100 Shares evidenced by Certificate No. 2, attached
hereto, and does hereby irrevocably constitute and appoint _____ attorney
to transfer the said Shares on the books of the within-named Corporation, with full power of
substitution in the premises.

Dated: December , 2005

In presence of: _____

MITTAL STEEL U.S. HOLDINGS B.V.

By: _____

Name:

Title:

STOCK POWER

FOR VALUE RECEIVED, Ispat Inland S.A. does

hereby sell, assign and transfer unto Ispat Inland Holdings Inc.
(Please print or type name and address of assignee)

100 Shares evidenced by Certificate No. 2, attached hereto, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Shares on the books of the within-named Corporation, with full power of substitution in the premises.

Dated: December, 2005

In presence of: _____

ISPAT INLAND S.A.

By: _____
Name:
Title:

EXHIBIT C

December 7, 2005

Mr. David McCall
District 1 Director
United Steelworkers
777 Dearborn
Columbus, Ohio

Dear Mr. McCall:

Following its recent acquisition of International Steel Group, Inc., which is now known as Mittal Steel USA ISG Inc. ("Mittal/ISG"), Mittal Steel Company N.V. ("Mittal Steel") is in the process of a restructuring pursuant to which Mittal/ISG will become a direct subsidiary of Ispat Inland Holding Inc. (U.S.) ("Ispat Inland"), an indirect subsidiary of Mittal Steel.

Because Mittal/ISG directly owns and controls three common carrier railroads – ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Company, and ISG Cleveland Works Railway Company – this part of the restructuring must be authorized by the Surface Transportation Board ("STB"). The STB, however, has approved a class exemption for this type of intra-corporate transaction, pursuant to 49 C.F.R. § 1180.2(d)(3), that becomes effective automatically within seven days of filing a Notice of Exemption with the STB.

In order to utilize this exemption, Ispat Inland is required to certify to the STB, at least sixty days prior to consummation of the transaction, that it has posted notices of the transaction at the workplaces of employees on the affected railroad lines and served a copy of the notice on the national office of the labor unions that represent all affected railroad employees.

Because this is an intra-corporate transaction that essentially is an extension of the Mittal/ISG acquisition earlier this year and that does not affect employment levels or benefits at the three railroads, I am writing to request that the United Steel Workers of America ("USWA") waive the 60-day notice requirement as well as the requirements to post such notices and to serve a copy of the notice on the national office of the USWA.

Please let me know if you have any questions. If the USWA agrees to this waiver, please sign in the space provided at the bottom of this page and return this letter to my attention.

Sincerely,



Agreed to this 7th day of December 2005

Sign: David R. McCall

Print Name: David R. McCall

December 7, 2005

Mittal Steel Company N.V.

**Notice to All Employees of
ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Company
and ISG Cleveland Works Railway Company**

Ispat Inland Holding Inc. (U.S.) ("Ispat") hereby provides notice to the employees of ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Company and ISG Cleveland Works Railway Company that Ispat intends to acquire Mittal Steel USA ISG Inc. ("Mittal/ISG"), which owns and controls ISG Railways Inc., ISG South Chicago & Indiana Harbor Railway Company and ISG Cleveland Works Railway Company. The transaction is expected to be completed by the end of the fourth quarter of 2005.

Ispat does not expect significant rail operational changes to occur as a result of the transaction, and therefore does not anticipate substantial changes in the types and number of jobs on the acquired rail lines. However, the foregoing expectation is preliminary and is subject to modification.

Employees affected by the transaction will be provided with labor protection in accordance with the requirements of federal law, pursuant to 49 U.S.C. § 11326(b), because this transaction involves one Class II and two Class III railroads. In addition, Ispat will comply with its obligations under all current collective bargaining agreements, as may be amended from time to time, between and among Mittal/ISG, the acquired railroads, and the labor union representing all affected railroad employees.

In the event that additional hiring occurs as a result of the transaction, Ispat intends to offer competitive wages and benefits, including the following:

- Medical and Dental Insurance
- Life Insurance
- Sick Leave
- Holidays
- Vacation
- Military Leave
- 401(k) Plan

If Ispat hires such additional employees, it will do so, subject to then-existing collective bargaining agreements, on the basis of the knowledge, skills, and experience required for each position, using some or all of the following: written assessments, work simulations and interviews. No one factor will be determinative in the employee selection process.

Candidates will be selected from the available pool of applicants without regard to race, creed, color, religion, national origin, sex, age, marital status, disability, military reserve status or

any other protected characteristic. Subject to then-existing collective bargaining agreements, applicants will be required to submit to a background check and, those applicants who have been conditionally offered employment will be required to pass a pre-employment drug and alcohol screen, complete a medical questionnaire and pass a physical exam.

For employment related questions, please contact Mr. David McCall.

This notice is being posted at least 60 days prior to the anticipated completion date of the transaction in order to comply with any requirements of federal law that may be applicable. A copy of this notice is being served by overnight delivery on the national office of the labor union with employees on the affected railroad lines, and appropriate certification of posting and service is being concurrently made with the Surface Transportation Board.

Dated: December 7, 2005